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TAGS: [PGOV](#) [PREL](#) [ECON](#) [KISL](#) [KU](#) [ISLAMISTS](#)
NATIONAL ASSEMBLY
SUBJECT: PARLIAMENT APPROVES ZAKAT LAW DESPITE SHI'A
OBJECTIONS; SOME MPS DEMAND CUTTING RELATIONS WITH DENMARK

REF: KUWAIT 4289

Classified By: DCM Matt Tueller for reasons 1.4 (b) and (d)

¶1. (C/NF) Summary: On November 7, Parliament passed a zakat (religious tax) law opposed by Kuwaiti Shi'a. Liberal parliamentarian (MP) Mishari Al-Anjari downplayed the Islamist nature of the zakat law, saying it was "just a way to collect one percent from companies" to supplement the government's assistance budget. The money collected will be spent on either zakat-sanctioned charitable activities or education and health care, as stipulated by each company. According to Islamist MP Ahmed Baqer, the Chairman of the Financial and Economic Affairs Committee, since foreign companies are subject to a separate 15% tax, the zakat law will not apply to them. Parliament also passed a resolution calling on the Government to sever relations with Denmark for "insulting the Prophet Mohammed." Some Islamist MPs used the occasion to strongly criticize the United States. End summary.

Near Unanimous Approval of Zakat Law

¶2. (C/NF) On November 6, Parliament voted 51 to 2 with twelve abstentions in favor of a zakat (religious tax) law requiring public and "closed" shareholding companies in Kuwait to pay one percent of their annual net profits to a charitable fund to be administered by the Ministry of Finance. Companies can specify that their contributions be spent on either charitable activities (zakat) or public services, like education and health care. Those caught violating the law could face a 5,000 KD fine or up to three years in jail, the Arab Times (local English daily) reported November 7. According to Ahmed Baqer, the Coordinator of the Islamic Bloc, which introduced the law, foreign companies are exempt from paying the zakat. None of the six Shi'a in Parliament - four MPs and two Ministers - voted for the law. The Government must still approve the measure before it goes into effect.

¶3. (SBU) The zakat law has drawn strong criticism from Kuwait's minority Shi'a population, which represents approximately a third of Kuwait's one million citizens. Shi'a MP Saleh Ashour warned that the law could lead to "social cracks," apparently referring to a potential increase in Shi'a-Sunni tensions. Citing the Amir's recent speech before Parliament (reftel), he stressed the need to "protect the national unity." More than 20 leading Kuwaiti Shi'a clerics signed a joint statement opposing the law. They argued that the law was unjust and would discriminate against Kuwaitis based on their religious beliefs. "You cannot force any sect to pay (zakat). This is not a tax the government

can force everyone to pay," they said.

¶4. (C/NF) In a November 8 meeting with Poloff, liberal MP Mishari Al-Anjari downplayed the Islamist nature of the zakat law. He said the law is "just a way to collect one percent from companies" for the government's charitable programs. Calling it the "zakat law," was done merely "to appease the Islamists." Al-Anjari noted that there were precedents for this sort of obligatory contribution, citing as an example the five percent companies were required to pay to the Kuwait Foundation for the Advancement of Science (KFAS) when it was first created.

¶5. (C/NF) In a separate meeting on November 8, Ahmed Baqer, the Coordinator of the Islamic Bloc, which introduced the law, told Poloff the portion designated by companies for zakat would be applied towards government aid programs, like helping the handicapped and poor; foreign disaster assistance; and national defense, as specified by the Qu'ran. Money collected from companies preferring not to contribute to zakat would be used for health and education services. Baqer believed Shi'a opposed the law because Shi'a jurisprudence prohibited them from giving zakat to the state. He claimed one Shi'a MP told him Shi'a would now have to pay zakat twice: once to the government and once to their religious leaders (marja).

MPs Demand Kuwait Cut Relations with Denmark

¶6. (SBU) On November 7, Parliament passed 25 to 12 a non-binding resolution calling on the Government to cut all diplomatic and economic relations with Denmark for "insulting the Prophet Mohammed." The resolution also recommended

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establishing a 15 million KD (\$52 million) fund under the auspices of the Ministry of Awqaf and Islamic Affairs to "defend the Prophet Mohammed." Some Islamist MPs used the opportunity to criticize the U.S. MP Daifallah Bou Ramya said President Bush's "'Crusader war' will end with the victory of Muslims and the defeat of the Zionists' commander, President Bush." MP Dr. Jaman Al-Hirbish claimed, "These are organized offenses starting from Bush down to the Pope." Another Islamist MP, Khaled Al-Adwa, said, "Europe and America kiss the shoes of the Zionists." MP Dr. Ali Al-Omair called on the Government to stop issuing licenses to churches in Kuwait, and MP Ahmed Baqer demanded the Government close the Papal Nunciature in Kuwait.

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